

The FAITHFUL STEWARD

A Planned Giving Newsletter sponsored by St. Frances of Rome Parish

IN THIS ISSUE:

You will find useful information about savings and charitable giving.



As each one has received a gift, use it to serve one another as good stewards of God's varied grace.

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Five Hidden Resources for Improving Cash Flow

Old savings bonds, insurance policies or your house may boost income

Trimming living expenses has become a national pastime during the economic downturn, but you might also seek out hidden sources of income. Here are a few possibilities:

1. The U.S. Treasury has started a campaign to "Find Old Bonds, Get New Cash." Billions of dollars in savings bonds are lost or expired. See <http://TreasuryDirect.gov>, under "Individuals" and the quick link: Treasury Hunt.
2. If you do have a stash of old savings bonds, consider cashing them in and giving the proceeds for a charitable gift annuity. You'll receive payments for life, partly tax free, and a charitable deduction that can offset interest on your bonds. You can set up a charitable gift annuity with the Archdiocese of Chicago that will

pay you a guaranteed income for life with the benefit going to St. Frances of Rome in the end.

3. Life insurance can often be converted into a paid-up annuity. Or you can cash a surplus policy and reinvest the proceeds to provide retirement income.
4. Your house can create additional revenue. If you move to a retirement community you can sell your house and reinvest the proceeds. A reverse mortgage can let you stay in your current home and receive cash or monthly annuity payments for life.
5. If you receive large tax refunds every year, consider increasing your cash flow by reducing the amount of your withholding or estimated tax payments.

Gifts Can Ease Switch to a Roth IRA

The "buzz" in financial planning circles these days revolves around converting traditional IRAs to "Roth" IRAs – an option available to all taxpayers in 2010 and later years. (Only people with adjusted gross incomes under \$100,000 can convert in 2009.)

For those who make the conversion, future Roth IRA withdrawals will be free of income tax. The beneficiaries of your estates also will avoid all income taxes (but not "death taxes"). Unfortunately, funds you convert out of your regular IRA will be treated as taxable income.

You'll need to consider many tax and economic factors when deciding to convert to a Roth IRA. But it can be helpful to combine your Roth conversion with tax-deductible gifts that offset part or all of your tax liability.

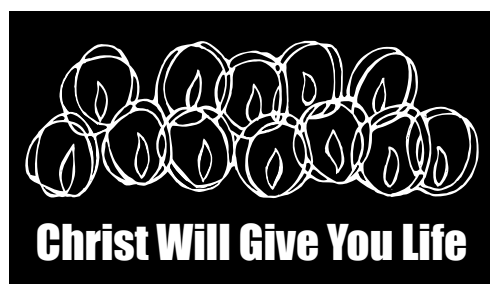
One strategy is to set up a charitable gift annuity with the Archdiocese that provides a large deduction and also pays you (or someone you designate) income for life. You can magnify gift annuity deductions by postponing the start of payments for a few years (a deferred payment gift annuity) or by electing to take reduced annual payments. Remember,

...Roth IRA *(continued)*

gift annuities with the Archdiocese of Chicago can be designated for any parish or Catholic school in the Archdiocese.

Charitable remainder trusts can also provide deductions and additional flexibility in your planning. People planning to convert very large IRAs might consider establishing a "grantor" charitable lead annuity trust that makes payments for a fixed time period to charity then returns all trust assets to the donor or the donor's family.

Please call our office if you would like more information on planning for large charitable deductions – for Roth IRA conversions or any purposes.



Gift Ideas for a Tight Economy

Increasingly, we are hearing the concerns of thoughtful parishioners as they search for ways to continue, or even increase, support for the parish. Here are four ideas worth considering:

1. Make St. Frances of Rome a beneficiary of your will, revocable living trust, life insurance or retirement account. All these gifts leave you in complete control of your assets and can be changed or revoked during your lifetime.
2. Arrange a gift that pays lifetime income to you or to you and another, through a charitable remainder trust or charitable gift annuity. Although these gifts are irrevocable, your cash flow may improve and you'll enjoy tax savings, as well.
3. Make a gift from your IRA, if you are age 70½ or older. Last year several IRA owners made important gifts, saying they enjoyed the idea of making tax free distributions to support charities like St. Frances of Rome parish that have meant so much to them. Minimum distributions from retirement accounts aren't required in 2009, but some donors are considering IRA charitable gifts in the amount that the government would have required them to take without the moratorium.
4. Contribute a "surplus" life insurance policy – one that no longer serves a family protection purpose.

Please feel free to call Rich Goode at the Archdiocese's Planned Giving Office with any of your gift planning questions (312-534-7848).

Safe Havens for Your Savings

Many investors have begun venturing back into the stock market, in search of higher returns. But if preservation of capital – safety of principal – remains your goal, here is a list of places where you can keep savings and still sleep at night.

Bank certificates of deposit Short-term CDs are free of risk because they are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor, per institution. Joint accounts are insured up to \$500,000.

Bank money market accounts These accounts also are insured by FDIC but offer lower yields than money-market mutual funds.

U.S. Treasury securities Treasury bills, bonds and notes are backed by the full faith and credit of the U.S. government and are free of state and local (but not federal) taxes.

U.S. savings bonds Series EE and I bonds offer the same safety of principal as Treasuries and provide the option of deferring tax on accumulated interest until the bonds are cashed or reach final maturity. Bond interest also is free of state and local tax.

Money-market mutual funds Money-market funds provide returns based on short-term investments and historically have been considered safe, even though uninsured.

Commercial annuities Fixed annuities from top-rated companies are generally regarded as safe (seek your advisers' recommendations). State guaranty associations offer some protection against company insolvencies in many areas (see www.nolhga.com for specifics).

Charitable gift annuities Payments to our gift annuity recipients are backed by all of the resources of the Archdiocese of Chicago. It's worth noting, as well, that no gift annuity payment has ever been missed in the history of our program.

Remembering by Rich Goode

Our block presents a block play every other year. It is fun to participate as the neighbors of Norwood Street crack corny jokes and sing silly show tunes (if you can call what we do singing). My children love the block play. I feel sure they will remember this summer silliness their entire lives.

Right before we go on, one of the "elder statesmen" of the block heartwarmingly reminds us of the history of the block play. It has been going on for over forty years. People who were in the play as toddlers are now grown adults. He calls to mind many of those who first organized the play and who are gone now. I never met them but their memory inspires me. In my mind, I can see those folks back in the sixties on a late summer night, singing and dancing, making their neighbors laugh. As silly as the play is, it connects us - not only with our neighbors of today but also with those neighbors of long ago who passed this enriching tradition on to us.

At mass, we make connections with those we pray with in church that day and with people around the world who are reflecting on those same readings and praying the same prayers. We are also connecting with people of faith from long ago. I imagine them trudging to church through the snow in winter (before everyone had cars), sweating through a mid July homily

(before churches were air conditioned), singing hymns and praying. They passed the precious gift of faith down to us. Because of their faith and stewardship, we are who we are.

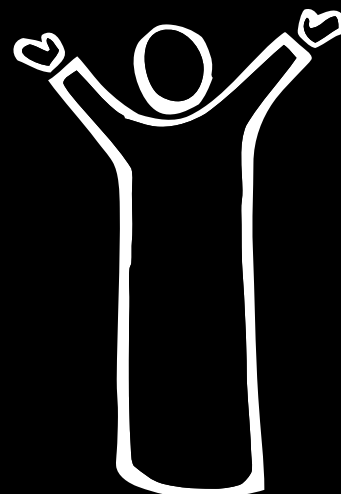
In the Eucharist, Jesus asks us to "remember" an event we were not present for, the last supper. As I participate in parish life, I remember those folks I haven't met and I am profoundly grateful. I cannot thank them except by trying to emulate them. I do this by doing my part for a time and then trying to pass the precious gift we have received down to succeeding generations.

Those who include their parish in their estate plans participate in a very beautiful and meaningful way in this mysterious chain of memory, faith, connection and ritual. Understanding the precious gift we have received, they seek to pass it on. On behalf of future generations of faithful Chicagoans, I thank them.



Life is Stewardship

Human life is the first and greatest gift of all. It carries with it great responsibilities. As Catholics, we know that our lives are sacred trusts. We are the stewards of our lives. God depends on us to use them to accomplish His purposes.



A Reflection on Gratitude

To be grateful is to recognize the Love of God in everything He has given us – and He has given us everything. Every breath we draw is a gift of His love, every moment of existence is a grace, for it brings with it immense graces from Him. Gratitude therefore takes nothing for granted, is never unresponsive, is constantly awakening to new wonder and to praise of the goodness of God. For the grateful person knows that God is good, not by hearsay but by experience. And that is what makes all the difference.

Thomas Merton

QUESTIONS?

If you have questions about planned giving or estate planning, feel free to contact Rich Goode. Rich is the Director of Planned Giving for the Archdiocese. He is a lawyer and can serve as a free source of information. Rich is available to answer any questions you may have.

You can reach Rich at (312) 534-7848.

Why Are Gift Annuities So Popular with Women?

The Archdiocese of Chicago has been offering charitable gift annuities for many years, but only recently did we recognize a striking phenomenon: The large number of quarterly annuity payments that we are sending to women.

Why should gift annuities have particular appeal to Catholic women? Historically, we are told that the first recipient of a gift annuity, in the early 1830s, was a woman, and women continue to be in the forefront of donors who use gift annuities to benefit their parishes and parish schools.

Many women like annuities because they provide a secure, fixed income for life, no matter how long they may live. Actuarial

statistics tell us that women continue to live longer than men by roughly five years, so it's all the more important for women to have "an income that a person cannot outlive."

Unlike commercial annuities, charitable gift annuities do not discriminate between men and women when it comes to payout rates: Women receive the same payments as men of identical ages from charitable gift annuities, and charitable deductions are equal, as well, even though women stand to receive more benefits over their longer life expectancies.

We would be pleased to provide illustrations of how gift annuities can work for both men and women. Just call (312) 534-7848.



Please let us know of your plans.

I am considering a provision in my will for St. Frances of Rome Parish.

I have already provided for St. Frances of Rome Parish in my will/trust.

NAME

ADDRESS

CITY

STATE

ZIP CODE

HOME PHONE

E-MAIL

Please cut this slip out and mail it to:

Richard S. Goode, Director of Planned Giving • Archdiocese of Chicago • 835 N Rush St. • Chicago, IL 60611